



# Tax and Fiduciary Law Information Memo

August 2005

## Bond, Schoeneck & King, PLLC

### New York

Albany ■ 518-533-3000  
Buffalo ■ 716-566-2800  
Ithaca ■ 607-330-4000  
Long Island ■ 516-267-6300  
New York City ■ 646-253-2300  
Oswego ■ 315-343-9116  
Syracuse ■ 315-218-8000  
Utica ■ 315-738-1223

### Kansas

Overland Park ■ 913-234-4400

## Bond, Schoeneck & King, P.A.

### Florida

Bonita Springs ■ 239-390-5000  
Naples ■ 239-659-3800

## NEW TAX PRACTITIONER RULES UNDER CIRCULAR 230

Effective June 21, 2005, new IRS regulations governing the conduct of lawyers and other tax professionals will affect the written tax advice (including e-mails) prepared by our Firm. Under the new regulations, most written federal tax advice must either comply with the substantive and complex procedural requirements previously associated with "formal" legal opinions, or include a legend stating that any tax advice provided in such writing may not be relied on by a taxpayer to avoid IRS tax penalties.

While the regulations were issued to address abusive tax shelters, their scope is so broad that we may have to include a legend in our written tax communications to our clients. The new legend (or some variation thereof) follows:

***IRS CIRCULAR 230 DISCLOSURE  
- IRS regulations require us to  
notify you that any tax advice  
contained in this communication  
(including any attachments) is not  
intended or written to be used, and  
cannot be used, for the purpose of  
avoiding penalties under the  
Internal Revenue Code. If you want  
a further description of this  
requirement, go to [www.bsk.com](http://www.bsk.com).***

The use of the new legend does not reflect any change in the degree of care and

attention that our Firm gives to you, nor will it affect the advice or any legal conclusions drawn from it. It is being added to satisfy the new IRS regulations that dictate how we must communicate in writing with our clients on certain tax issues. As stated above, if the legend is not used, our Firm may be required to issue a comprehensive, formal opinion with respect to written tax advice which would include a full discussion and analysis of all the relevant authorities and a complete recitation of all the facts, supported by an appropriate "due diligence" verification. To avoid the additional time and client expense associated with such a required formal opinion, the Firm must place the legend on applicable tax communications. Of course, in those cases where you would like us to issue written tax advice on which you intend to rely in avoiding penalties, the legend will be omitted.

If you have any questions about these new rules, please contact any of the following members of our Tax and Fiduciary Law Practice Group by calling 315-218-8000 or via e-mail:

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